

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 NEA-10 ISO-00 ERDA-05 AID-05 CEA-01
CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06
OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 PA-01 PRS-01
/112 W

-----151853Z 049333 /43

R 151448Z FEB 77

FM AMEMBASSY TUNIS

TO SECSTATE WASHDC 5790

INFO AMEMBASSY PARIS

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY TRIPOLI

AMEMBASSY VALLETA

AMEMBASSY THE HAGUE

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E.O.11652: N/A

TAGS: ENRG TS

SUBJECT: CFP/AMOCO GROUP TO DEVELOP ISIS OIL FIELD OFFSHORE
TUNISIA

1. SUMMARY: SUBJECT TO MEMBERS' EXPECTED RATIFICATION THIS WEEK, CONSORTIUM LED BY CFP (ONE-THIRD INTEREST), AND INCLUDING AMOCO (ONE-THIRD INTEREST), AGIP AND SHELL (ONE-SIX INTEREST EACH), WILL TAKE OUT FIFTY-YEAR PRODUCTION LICENSE TO EXPLOR AND PRODUCE OIL IN 160 KILOMETERS EAST OF SFAX AT WATER DEPTH OF 74 METERS WITHIN "MARIN CENTRE ORIENTAL" BLOCK. IF ALL GOES WELL, THIS WILL LEAD NEXT YEAR TO FIRST AMERICAN PRODUCTION INTEREST IN TUNISIA.
END SUMMARY.

2. ON FEBRUARY 9, MINISTRY OF ECONOMY ANNOUNCED THAT AGREEMENT HAD BEEN SIGNED PREVIOUS DAY BY MINISTER LASRAM AND THE DIRECTOR
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OF TOTAL EXPLORATION (CFP SUBSIDIARY). LOCAL CFP REPRESENTATIVE HAS EXPLAINED TO US THAT GOT ANNOUNCEMENT SOMEWHAT PREMATURE SINCE DECISION TO GO AHEAD WITH \$18 MILLION DEVELOPMENT PROGRAM TO DRILL SIX WELLS OVER NEXT THREE YEARS MUST BE APPROVED BY MANAGEMENT COMMITTEE MEETING ON FEBRUARY 17 IN PARIS.

3. GROUP IS EXPECTED TO PROCEED WITH DEVELOPMENT SINCE, AFTER

TWO YEARS OF DISCUSSIONS, GOT NOW HAD AGREED TO ROYALTY/TAX CONCESSIONS WHICH RENDER VENTURE AT LEAST marginally ECONOMIC PROPOSITION. WE ARE TOLD THAT IF RESERVES PROVE TO BE GREATER THAN SHOWN BY THREE WELLS SO FAR DRILLED, THEN PERIOD OF PRODUCTION COULD EXTEND BEYOND BARE BREAK-EVEN TWO OR THREE YEARS NOW IN VIEW TO PROFITABLE FIVE OR SIX YEARS.

4. CFP REPRESENTATIVE INDICATED CONSIDERABLE INTEREST IN FURTHER EXPLORATION IN THIS VERY LARGE BLOCK, POINTING OUT THAT ONLY TWO EXPLORATORY WELLS SO FAR HAD BEEN DRILLED IN AREA OF 18,000 SQUARE KILOMETERS. HE NOTED THAT ON JULY 22, GROUP WILL HAVE TO RELINQUISH 20 PERCENT OF ITS ACREAGE WHEN IT ALMOST SURELY WILL REQUEST THREE-YEAR EXTENSION OF ITS EXPLORATION PERMIT. HE NOTED THAT WORK REQUIREMENTS WOULD AGAIN BE RATHER MODERATE--ABOUT ANOTHER \$12 MILLION (4 WELLS) OVER THREE-YEAR PERIOD.

5. CFP REPRESENTATIVE CONFIRMED THAT GOT IS EAGER TO GET PRODUCTION WORK GOING IN THIS FAR OFFSHORE AREA NEAR (BUT NOT IN) ZONES DISPUTED WITH LIBYA. WE ARE INCLINED TO BELIEVE THAT GOEPO-LITICS, AS WELL AS NEED TO AUGMENT LAGGING OIL PRODUCTION AND SUSTAIN MOMENTUM IN OFFSHORE INDUSTRY, WAS A FACTOR IN THE ROYALTY-TAX CONCESSIONS GRANTED BY THE GOT. (GOT RETAINS RIGHT TO BUY 20 PERCENT INTEREST IN ISIS FIELD).

6. CFP REPRESENTATIVE SAID GROUP WOULD BE ISSUING INTERNATIONAL TENDER FOR 6-WELL OFFSHORE RIG. WHILE CFP (TOTAL EXPLORATION TUNISIE) IS OPERATING COMPANY, WASHINGTON AGENCIES MAY WISH TO NOTE THAT RESPONSIBLE AMOCO OFFICIAL IS H.O. BOSWELL, REGIONAL VICE-PRESIDENT FOR MIDDLE EAST AND AFRICA. LIMITED OFFICIAL USE

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MULCAHY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: OFFSHORE OIL FIELDS, EXPLORATORY DRILLING, DEVELOPMENT PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TUNIS01104
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770053-1148
Format: TEL
From: TUNIS
Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19770238/aaaabhwb.tel
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Litigation History:
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Original Classification: LIMITED OFFICIAL USE
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Review Event:
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
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Review Withdrawn Fields: n/a
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TAGS: ENRG, TS, AMOCO
To: STATE
Type: TE
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